



2021 Award Recipient

MidwayUSA

MidwayUSA is a family-owned Internet retailer offering “Just About Everything”® for shooting, hunting, and the outdoors. It is a world leader in its market sector, ranking in the top 3% of the best U.S. performers in Customer satisfaction out of 3,500 internet retailers. MidwayUSA has continued to pursue its vision “to be the best-run business in America, and the most successful, most respected business in our industry, for the benefit of our Customers.”

This is the third Baldrige Award for MidwayUSA; the company was honored in the small business category in 2009 and 2015.

Leadership Founded on Values and Being the “Best-Run Business in America”

- Employees’ ratings that the actions of leaders and coworkers align with the mission, vision, values, and organizational culture improved from 79% in 2017 to 90% in 2021, better than the best benchmark of a national survey.
- Senior leaders monitor dashboards daily, with cascading measures for departmental accountability. They engage Employees, Suppliers, and Partners through the 12-month, rolling Strategic Planning Process. During Monthly Results Reviews, the Chairman, President/CEO, and departments review performance via scorecards to create a short- and long-term focus on the mission and operational goals.
- The Senior Leadership Team selects future leaders annually to be mentored for leadership positions. Nearly 80% of management positions are filled from within, surpassing the benchmark for the online KPI Library, a crowd-sourced repository of key performance indicators.

Strategy, to Embrace Agility and an Open-Door Culture

- A rolling 12-month, seven-step (with 26 supporting steps) Strategic Planning Process is designed to help MidwayUSA identify the need for, enact, and sustain change, and monthly meetings give the organization the agility to respond quickly. The Strategic Plan Execution completion rate, which represents the percentage of Company Action Plans completed within the allotted time frame, is more than 95%.
- Through an open-door culture, Employees engage with and share concerns with senior leaders through State of the Business meetings, Department Knowledge Sharing meetings, daily department musters (frontline staff assemble to receive performance information), new hire orientation, and Employee focus groups.



Highlights

- Increased sales per full-time Employee from about \$500,000 in 2014 to more than \$1 million in 2020
- Ranks in the top 3% of the best U.S. performers in Customer satisfaction out of 3,500 internet retailers
- Achieved 2 million active Customers and has a Customer retention rate of over 80%, 20 points higher than the national Direct Marketing Association best benchmark
- Averaged 39% net income growth every year over the past 12 years
- Outperforms the next-best online retail competitor in overall Supplier and Partner satisfaction with 94% satisfaction rate in 2020 and 2021



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Benchmark Performance for Workforce Results

- Employee satisfaction and engagement have remained steady at about 85% since 2015, 10 points above a national survey-provider best benchmark. Employees rate their satisfaction with the right tools and support to do their jobs at nearly 90%; this improved 4 points since 2020.
- Sales dollars per Employee cost have nearly doubled, from about \$9 in 2004 to \$22 in 2020. This increase in workforce capability and capacity has led to over \$1 million in sales per full-time Employee in 2020, up from about \$500,000 in 2014.
- MidwayUSA has averaged 39% net income growth every year over the past 12 years. This supports the organization sharing profits with staff, which it has done for the last 17 years. 2020 was a record profit-sharing year for the organization.

Operational Results Based on Relationships and Cutting-Edge Technologies

- In 2020, MidwayUSA adopted session replay technology allowing Employees to watch Customers' on-site experiences and predict areas of the website that may dissatisfy Customers in the future. Through Customer behavior and a Product Recommendation Engine, active and inactive Customers are only sent advertisements for things that are or predicted to be of interest to them. The Customer Behavior Analysis process and algorithms are used to identify Customers unlikely to purchase products in the short term.
- Due to its Supplier and Partner relationships, MidwayUSA secured a high level of product allocation (a strategic inventory method used when the quantity of products available for purchase is limited), allowing for a 65% in-stock product rate, outperforming its next-best industry competitor.
- MidwayUSA significantly outperforms the next-best online retail competitor in overall Supplier and Partner satisfaction with 94% satisfaction rate in 2020 and 2021. Survey data for "friendly, courteous, ethical relationship with Suppliers" improved from 93% in 2018 to 97% in 2020, better than the best-competitor's benchmark.

Award-Winning Customer Loyalty and Advocacy

- MidwayUSA averages 94-95% Customer satisfaction each year, outperforming a national marketing research company's circle of excellence benchmark since 2018. In addition, since 2018, Customer loyalty and advocacy have exceeded 90%, at or above the circle of excellence benchmark.
- MidwayUSA's Customer retention is at an all-time high, with 2 million active Customers, retention is at 80%, 20 points higher than the national Direct Marketing Association, demonstrating MidwayUSA's benchmark leadership levels in its industry.

- MidwayUSA is a 13-time winner of the national marketing research company BizRate's Circle of Excellence Award®, which it has won for the last seven years in a row. MidwayUSA ranks in the top 3% of the best U.S. performers in Customer satisfaction out of 3,500 internet retailers. Measures of on-time delivery, Customer advocacy (likelihood to recommend), and Customer loyalty have all yielded results for several years equal to or better than the circle of excellence benchmarks.

Continuously Improving Financial Results

- MidwayUSA's growth in gross sales outperformed the next-best competitor benchmark by nearly 30 points, reaching 100% 2020. The organization has grown on average 17% annually over the past 12 years, almost double the average industry growth rate of 9%.
- Gross sales exceeded \$700 million in 2021. Net income surpassed a national risk management association benchmark by nearly 25 points in 2020. Gross margin has nearly doubled since 2017.
- For the last several years, MidwayUSA has been in the top 3% (circle of excellence benchmark) of all organizations surveyed by a national marketing research company in terms of price relative to other online retailers; product availability; and "frequent, engaging, relevant promotions."

Citizenship and Community Support

Over \$50 million was donated by MidwayUSA to key communities in 2020 with over \$4 million being donated directly to the local community. In addition, shareholders donated \$1 million to the Baldrige Foundation, to be awarded to the first Missouri public school to receive a Baldrige Award.

For more information:

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Baldrige Performance Excellence Program

The Baldrige Program educates organizations of all sizes and from all sectors in organizational performance management and improvement. We also administer the Malcolm Baldrige National Quality Award. Our key services are to identify and recognize role-model organizations, share best management practices, and help organizations achieve best-in-class performance levels. We are the only public-private partnership and Presidential award program dedicated to improving U.S. organizations.

For more information on the Baldrige Program:
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